Eureka Operations

P.O. BOX 250 PHONE: (801) 433-6854

Eureka, Utah

JUN 0 4 1985

DIVISION OF OIL GAS & MINING

Leon J. Munyan, Resident Manager

May 31, 1985

Susan C. Linner State Of Utah Natural Resources 355 West North Temple Suite 350 Salt Lake City, UT 84180-1203

Dear Ms. Linner:

RE: Tailings Ponds Construction, Burgin Project, ACT/049/009, Utah County Utah.

Sunshine Mining Company has reviewed your letter dated May 20, 1985. Quite frankly, we were very disappointed with the attitude and requirements expressed in the letter. Evidently, we were mistaken in our belief that the Eureka Operation of Sunshine Mining Company had proven to U.D.O.G.&M. that we are acutely aware of environmental concerns.

During the past year, in spite of our very tight budget and lack of staff, we have attempted to do more than what was required to obtain environmental permits. We have: utilized four consultants to address all possible environmental issues; agreed to permit reclamation of the entire Burgin property, including possible future operations (Hunter Shaft), even though we may not disturb the entire area; posted a \$750,000.00 reclamation bond, even though the landowners will not allow Sunshine to reclaim the area when the mining activities are finished; employed four people during the summer of 1984 to remove old equipment, regrade and revegatate approximately five acres of unsightly area left by the previous operator of the Burgin Project; employ four people during the summer of 1985 to continue the reclamation and beautification program.

Considering that the application involved a very small area (approximately three acres), and the fact that most of the area was within the current permit area, the timeliness of your reply does not seem appropriate. We submitted the applications for tailings disposal in April 3, 1985 and followed-up with several phone conversations to express the urgency required



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for the permitting. That is, the closure of the Kennecott Smelter necessitated milling Trixie Mine ore. If milling could not proceed, the Eureka Operation would have no revenue and would be required to be shut down.

We realize your department was upset with the delay in receiving the bond for the Burgin Permit. Our Operation was upset also. Unfortunately, we had no control over the process, and we did not receive any response from our efforts to speed up the Corporate paper work.

The demands stated in your letter are clearly "nit-picky" and do not promote the welfare of the State or of Sunshine Mining Company. We tried deligently to submit an adequate package, given the fact that Kennecott did not provide advance notice of cancellation of our ore sales, and the fact that economics had necessitated laying-off all of our Engineering Staff in January, 1985.

We do not ask that you compromise your professional ethics or violate your divisions standards. We simply ask that you work with us, not against us. We hope to continue building mutual respect and repore with U.D.O.G.&M.

The J.B.R. Consultants Group will respond to the issues in your letter, and will submit revised data on June 4, 1985.

Sincerely,

Leon J. Munyan General Manager

LJM/lrl

cc: L. Braxton

B. Buck

K. Butler